

M E M O R A N D U M

Date: June 9, 2015

TO: Dave Bullock, Town Manager
FROM: Anne Ross, Assistant Town Manager
SUBJECT: Ordinance 2015-21, Providing for Bond Referendum on November 3, 2015

At the June 1, 2015 Town Commission Regular Meeting, the Town Commission directed staff to move forward with an undergrounding project set up as follows:

- Referendum One, Onsite Election on November 3, 2015 – Undergrounding GMD and Main Feeders (including 20% Construction Contingency) by Non Ad Valorem Assessments on a Town- Wide District over a 30-Year Financing Period
- Referendum Two, Date and Election Type to be Determined – Undergrounding Overhead Side Streets/Neighborhoods (including 20% Contingency) by Non Ad Valorem Assessments on an Overhead District over a 30 Year Financing Period

The first step in accomplishing Bond Referendum One, is adopting Ordinance 2015-21 establishing the referendum language, the not to exceed project amount, and setting November 3, 2015 as the referendum date.

The Town Attorney, Bond Counsel, Engineer, and Town Staff have collaborated on the Ordinance and will be available to discuss at the Town Commission June 15, 2015 Special Meeting. The PowerPoint presentation planned for the meeting will provide an update on the undergrounding project and process as a whole.

Ordinance 2015-21 was forwarded from the June 15, 2015 Special Workshop Meeting for first reading at the June 15, 2015 Special Meeting.



**UNDERGROUNDING PROJECT UPDATE
AND
ORDINANCE 2015-21
GMD UNDERGROUNDING REFERENDUM**

June 15, 2015

Special Meeting



PROJECT LAYOUT

● Two Referendum Process

- Referendum One, Onsite Election November 3, 2015
(Ordinance 2015-21) – Undergrounding GMD and Feeder
(including 20% Contingency) by Non-Ad Valorem
Assessments Town-wide over a 30 Year Financing
- Referendum Two, Election Type and Date To Be Determined
– Undergrounding Overhead Side Streets/Neighborhoods
(including 20% Contingency) by Non-Ad Valorem
Assessments on an Overhead District over a 30 Year
Financing



REFERENDUM PROJECT AMOUNTS

- **Must be Not to Exceed Amount**
- **Incorporates Conservative Construction and Financing Costs**
 - **Risk of Interest Rate Increase over Project Duration (Assessments will be shown on both 4.5% and 6% interest rates)**
 - **Adjustments can be made for Lower Final Actual Costs (Shorter Payback or Assessment Reductions)**

PROJECT COST SUMMARY

	GMD Project (15% Construction Contingency)	GMD Project (20% Construction Contingency)	Overhead Neighborhood/ Side Streets (15% Construction Contingency)	Overhead Neighborhood/ Side Streets (20% Construction Contingency)
Project Component				
Undergrounding GMD & Feeders	\$16,300,000	\$16,900,000		
Undergrounding Neighborhoods			\$14,500,000	\$15,000,000
Street Lighting Enhancement GMD	\$4,400,000	\$4,800,000		
Street Lighting Replacement Neighborhoods			\$1,500,000	\$2,000,000
Fiber Optic Line Installation GMD	\$500,000	\$600,000		
Fiber Optic Line Neighborhoods			\$1,200,000	\$1,200,000
Financing and Legal Costs	\$700,000	\$780,000	\$300,000	\$660,000
Extra Contingency	\$300,000	\$500,000	\$300,000	\$300,000
Multi Year Project Inflation Cost	\$1,200,000	\$1,200,000	\$1,000,000	\$1,000,000
Subtotal	\$23,400,000	\$24,780,000	\$18,800,000	\$20,160,000
Cost Incurred to Date		\$200,720		
Referendum Preparation & Election		\$191,000		\$213,000
Total		\$25,171,720		\$20,373,000
Total Referendum Not to Exceed Amount		\$ 25,250,000		\$ 20,500,000



UNDERGROUNDING PROJECT PREPARATION COSTS

Service	Cost Incurred to Date (May 2015)	Cost Anticipated for Referendum 1 GMD Through Validation	Cost Anticipated for Referendum 2 Neighborhood/ Side Streets Through Validation
Brannon & Gilespi and Willdan Financial	\$154,880	\$80,000	\$80,000
Outside Legal	\$31,660	\$60,000	\$80,000
Public Information	\$0	\$10,000	\$10,000
Election	\$0	\$21,000	\$23,000
<i>Subtotal</i>	<i>\$186,540</i>	<i>\$171,000</i>	<i>\$193,000</i>
Town Attorney	\$14,180	\$20,000	\$20,000
Total	\$200,720	\$191,000	\$213,000

Notes: Town Attorney costs are covered through the monthly retainer.

If bond is contested, legal costs increase by \$250,000 .



REFERENDUM ONE QUESTION ORDINANCE 2015-21

Shall Town of Longboat Key be authorized to issue revenue bonds/notes, in one or more series, not exceeding \$25,250,000.00, bearing interest not exceeding maximum legal rates, maturing not beyond 30 years from issuance, to finance undergrounding electrical, communications and other utilities and installation of street lighting relating to Gulf of Mexico Drive, payable solely from special assessments imposed against real property throughout the Town and other legally available non-ad valorem revenues if necessary?

Yes - For Bonds/Notes

No - Against Bonds/Notes



REFERENDUM INFORMATION OUTREACH

- **Public Open Houses at Town Hall**
- **Presentation to Community Groups**
 - **Kiwanis**
 - **Condominium Federation**
 - **Rotary**
 - **Home Owner Associations**
- **Website Informational Page**
- **Informational Handouts**
- **Informational Mailings**
- **Answer Individual Citizen Questions**



REFERENDUM ONE SCHEDULE

- **June 15, 2015 – Referendum Ordinance First Reading**
- **June 29, 2015 – Referendum Ordinance Second Reading and Public Hearing**
- **November 3, 2015 – Onsite/In Person Election**



REFERENDUM ONE COSTS

- **Preparation Costs to Date: \$200,720**
 - Draft Referendum Ordinances
 - Conceptual Engineering
 - Non-Ad Valorem Assessment Report
 - Includes \$14,180 Covered through Town Attorney Retainer
 - Already Paid and Covered through Budget and Contingency
- **Additional Costs through September 2015 To Prepare Referendum One: \$87,000 (Resolution 2015-15)**
 - Finalize Referendum Ordinance
 - Finalize & Publish Non-Ad Valorem Assessments
 - Public Information Development & Dissemination



REFERENDUM ONE ANTICIPATED PROJECT SCHEDULE

- **November to December 2015 – Establish Assessments & Undergrounding Ordinance**
- **January 2016**
 - **Begin Survey and Engineering Design (One Year Duration)**
 - **Begin Validation Process (6 Month Duration without Contest)**
- **October 2016 – Collect Assessments**
- **Spring 2017 – Construction Commencement**



REFERENDUM TWO PREPARATION

- **Referendum Ordinance Draft & Final**
- **Establishing Overhead District**
- **Finalize & Publish Non-Ad Valorem Assessments**
- **Public Information Development & Dissemination**



REFERENDUM TWO SCHEDULE OPTION

- **November 9, 2015 – Referendum Ordinance Workshop**
- **December 7, 2015 – Referendum Ordinance First Reading**
- **January 4, 2016 – Referendum Ordinance Second Reading and Public Hearing**
- **January 15, 2016 – Voting Plan to State (Mail Ballot Only)**
- **April 6, 2016 – Ballots Mailed to Voters within Overhead District (Mail Ballot Only)**
- **April 26, 2016 – Mail Election**



QUESTIONS



End of Agenda Item